



SR0383

LRB098 12440 HLH 46837 r

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SENATE RESOLUTION

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WHEREAS, Article IX, Section 3 of the Illinois Constitution states, "A tax on or measured by income shall be at a non-graduated rate."; and

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WHEREAS, Article IX, Section 3 of the Illinois Constitution was added during the 1969 Constitutional Convention and prior to this, Illinois had no direct income tax; and

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WHEREAS, A background paper written for the Committee of 50 by J. Fred Giertz during the committee's review of the 1970 Constitution in 1987 states, "Until 1969, Illinois had no income tax. The status of the income tax under the Constitution was cloudy. A graduated income tax was ruled unconstitutional in 1932, but in 1969 the Illinois Supreme Court overruled its 1932 decision, permitting a flat rate tax on income with a different rate for corporations and individuals. Therefore, when the convention was deliberating the 1970 Constitution, Illinois was making use of an income tax similar to the one now employed."; and

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WHEREAS, The paper also states, "To a certain extent, the convention took the income law already in place in 1969 and gave constitutional status to several provisions. This may seem unusual, but in light of the long and heated struggle to bring

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1 the state income tax into existence, such a response is
2 understandable. The income tax probably would never have been
3 passed initially if assurances had not been given to the
4 business community on limiting the taxation of corporations, as
5 well as on the use of progressive rates. The 1970 Constitution
6 simply gave more definite legal status to the promises made
7 when the income tax was passed in 1969."; and

8 WHEREAS, The Constitution allows the State to raise and
9 lower tax rates on both individuals and corporations to meet
10 the changing revenue needs of the State; and

11 WHEREAS, An efficient tax system does the least to distort
12 the distribution of resources in the economy and does little to
13 alter consumer or investor attitudes; and

14 WHEREAS, A flat system of taxation does the least to
15 distort the economy; and

16 WHEREAS, Illinois individual income tax payers saw their
17 taxes rise from 3% in 2010 to 5% in 2011 and corporate income
18 tax payers saw their taxes rise from 4.8% to 7%; and

19 WHEREAS, The revenue from this increase was promised to be
20 used for the payment of overdue bills owed by the State to
21 persons who had provided a service to the State, but as of June

1 2013, there exists a backlog of bills in the billions of
2 dollars; and

3 WHEREAS, A system of progressive taxation does nothing to
4 ameliorate the backlog of bills, reduce the structural deficit,
5 or otherwise provide a fix to State finances; and

6 WHEREAS, A flat tax system provides some certainty to all
7 taxpayers that they will be treated as fairly as their neighbor
8 when it comes to the shared sacrifice of taxation; therefore,
9 be it

10 RESOLVED, BY THE SENATE OF THE NINETY-EIGHTH GENERAL
11 ASSEMBLY OF THE STATE OF ILLINOIS, that the Illinois
12 Constitution should not be amended to allow for graduated or
13 progressive income taxation; and be it further

14 RESOLVED, That suitable copies of this resolution be
15 delivered to all Illinois constitutional officers.